



Clark County Development News

Clark County Community Development

2008 Third Quarter



Marty Snell, director
Clark County
Community
Development

Weathering the Storm

As I am writing this article, it is a beautiful Friday morning after several days of rain, wind and generally stormy weather. As sure as there are cycles of stormy days followed by sunny skies, Clark County Community Development will pass through the storm and see better days ahead. Why would I say this? Because key budgeting and organizational activities have been undertaken to weather storms in the coming months. That and I am the eternal optimist.

Accepting the position of Community Development Director came with several benchmarks. Three of these benchmarks relate to budgeting and finances. The first of the three was to reconcile the 2008 budget. While balancing the budget proved to be out of reach, I put in place a plan to reduce expenses by roughly \$2.5 million. This was accomplished through a difficult team effort and resulted in reducing staff by over 30 people. With this reduction came changes to certain levels of service. The most notable change is that the downtown Permit Center has cut its hours available to the public from 43 hours to 24 hours per week. [please go to www.clark.wa.gov/commdev/news and click on the news release dated 10/15/08 for more information]

The other two benchmarks include adopting a sustainable 2009/2010 budget and revising the fee table. These two activities are interrelated and will be concluding by the end of 2008. In short, a sustainable budget simply reflects revenues and expenses as being equal. In practical terms, we need to be certain that forecasted revenue will cover planned expenditures. Department staff has been working closely with the Budget Office to generate a revenue forecast supported by credible and reliable data that will be used in the budget process as well as the fee table work. We have met with representatives of the Building Industry Association and private sector development to share the methodology and results of the revenue forecast. These meetings have produced tempered expectations for the volume and mix of building and development in 2009 and beyond.

The complicating piece of the budget proposal is the interrelated fee table project. To establish a fee proposal, we need to know the cost of service for various activities of the department. Through a rigorous costing exercise, it has become abundantly clear to me that Community Development does not have a fee structure grounded in a cost recovery mode. The sheer volume of activity in the early 2000's buoyed the department's budget. The sharp decline in activity, coupled with shedding expenditures slowly, has created deficit budgets since 2005.

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Real Estate Sales Activity

The Regional Multiple Listing Service "Market Action" report covers the Portland market as well as Clark County. It has recently changed from reporting the average number of days a single-family dwelling was for sale during a current listing to the average **total** number of days a home is on the market for consecutive listings when the time in between re-listing is 31 days or less. The total market time does not include the days the property was off the market.

The average total market time for September 2008 was 146 days from listing to acceptance of an offer. In comparison, the average total market time in the Portland metro area is 129 days.

The average sales price in Clark County continued its decline from \$298,100 at the end of the second quarter to \$275,600 at the end of this quarter. The September 2008 average home price indicates a 11 percent decrease from September 2007 when it was \$308,600. The most expensive homes were in Lake Oswego/West Linn (\$429,000), Brush Prairie/Hockinson (\$394,600), and Sauvie Island (\$375,000). The least expensive homes were in Central Vancouver (\$178,000).



Phoenicia Subdivision

In-migration

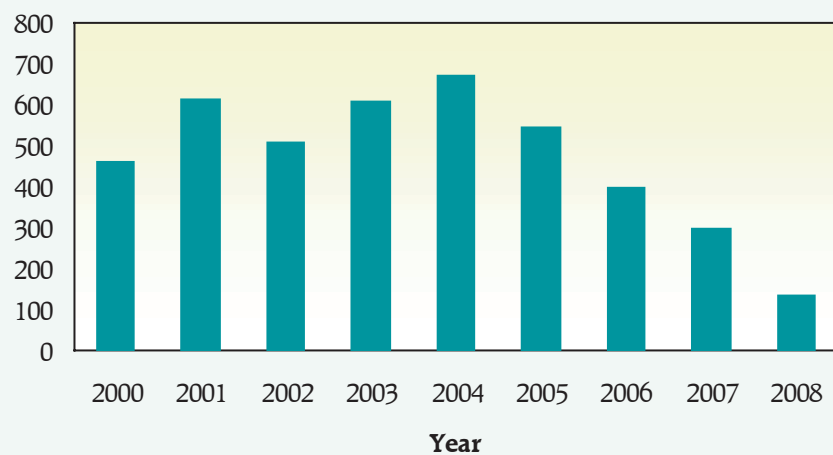
The Washington State Department of Licensing reports that 3,518 drivers surrendered their out-of-state licenses during the third quarter 2008 compared with 3,890 in the third quarter 2007. Although this is a decrease from third quarter 2007, it is a 20 percent increase from the second quarter 2008 when there were 2,828 incoming drivers.

Development Activity

Single Family Residential Permits

- In the third quarter 2008, 131 permits were issued which is a 55 percent decrease when compared to third quarter 2007 when 293 permits were issued.
- The historical average for this quarter 2000 through 2008 is 468 permits.

Q3 Single Family Residential Permits

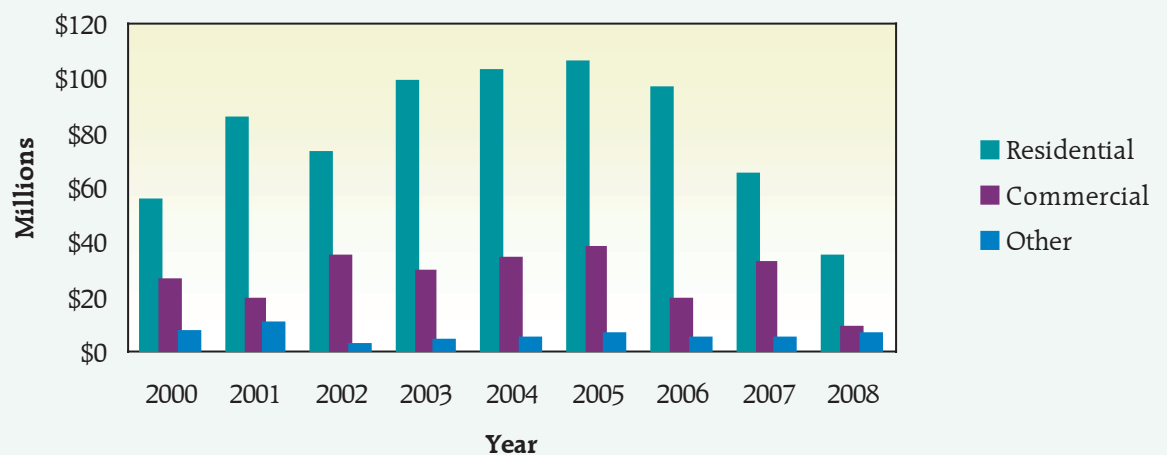


Sunrise Ridge, under construction

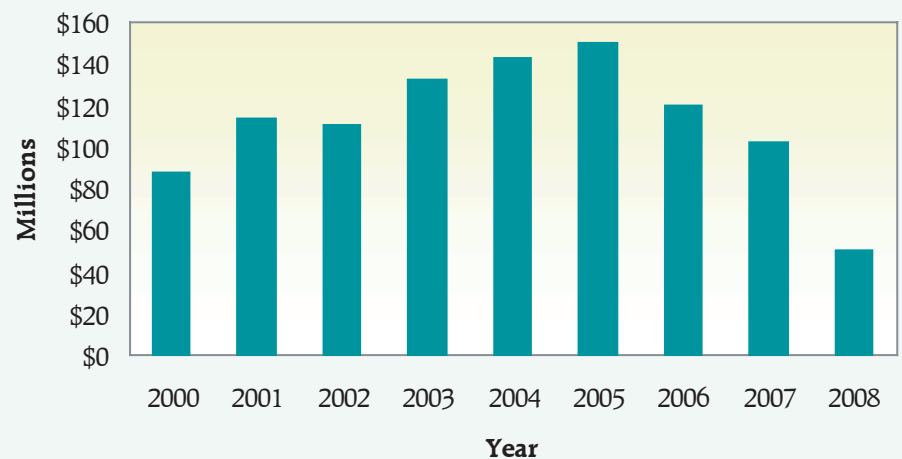
Construction Valuations

- Total construction valuation is down 51 percent from 2007. Construction valuation in the third quarter 2008 was \$50 million compared to \$102 million in the third quarter 2007.
- Third quarter commercial construction valuation was \$9 million. This indicates a 72 percent decrease from 2007 when commercial construction valuation was \$32 million. Commercial projects represented 18 percent of the total valuation for the this quarter.
- Valuation for residential construction totaled \$35 million. This is a 46 percent decrease compared to the third quarter of 2007 when residential construction valuation was \$65 million.
- Historical construction valuation for the third quarter 2000 through 2008 is \$112 million.

Q3 Construction Valuation Mix



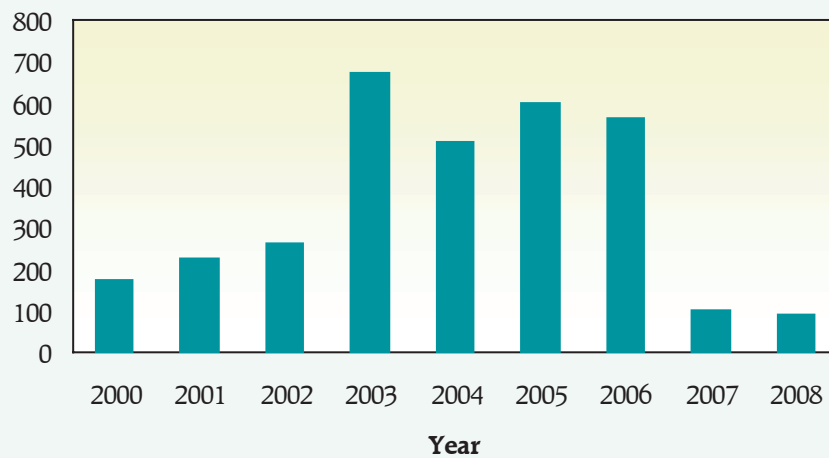
Q3 Construction Valuation



Land Division Lots

- There was a decrease in approved land division lots in the third quarter with 89 new lots. This is 10 percent less than the third quarter of 2007 when just 99 lots were approved.
- First quarter 2000 through 2008 historical average is 384 approved lots.

Q3 Land Division Lots



Development Activity through Third Quarter 2008			
Year	Single Family Residence Permits	Commercial & Residential Construction Valuation (mil.)	Lots Approved
2008 YTD	503	191	467
2007	1245	405	2070
2006	1551	469	2535
2005	2142	583	2173
2004	2106	533	2241
2003	2157	491	1941
2002	2112	412	1558
2001	2329	417	592
2000	1825	295	972

Customer Service Grades 2008 YTD

Community Development gives customers the ability to rate their level of service during each visit. The following average grades were received in 2008.

Promptness of initial greeting	A-
Time spent waiting for service	B+
Courtesy/personal attention	A-
Knowledge level of employees	A
Efficiency of service provided	A
Usability of information	B+
Overall service	B



Washington State
University - Vancouver

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Key county staff will continue to refine the cost and fee study to put forth a cost recovery fee proposal that is supported by reliable data and a thoughtful forecast. Sharing this information with interested parties and the Board of County Commissioners will be a critical step in the budget process. With a collective understanding of this work, we will weather the storm and see better days ahead.



For an alternate format,
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